

**Illinois Board of Examiners Meeting**

**Board Minutes-January 8, 2013-11:00 AM-3:00 PM**

**Illinois CPA Society Office**

**550 W Jackson, Chicago, IL**

**Members Present:** Thomas W Winkler, Chair, CPA, JD, Penelope Yunker, Vice-Chair, CPA, Howard Engle, CPA, Claireen L Herting, CPA, JD, Sheldon Holtzman, CPA (participated by phone), James G Kelley, CPA, Rhonda Kodjayan, CPA, Sara Mikuta, CPA, Sharon Morrow, Simon Petravick, CPA & Phyllis Walker

**Members Absent:** Not Applicable

**Guests:** Mr. Dan Dustin, NASBA

Mr. Marty Green, ICPAS (participated by phone)

Ms. Tia Marie France, ILBOE

**Call to Order**

Chairman Winkler called the meeting to order at 11:10 AM. All in attendance introduced themselves.

**Introduction of Tia Marie France**

Mr. Friedewald introduced Tia Marie France to the board-background and history. Ms. France will assume the role of Assistant Director with the move to the NIU facilities in Naperville, IL.

Ms. France gave her personal background and history.

**ACTION 1. Approval of September 19, 2012 Minutes**

Following a brief discussion of the minutes from the September 19, 2012 board meeting, Mr. Winkler motioned to accept the minutes. Ms. Morrow seconded the motion. The motion passed by unanimous acclamation.

Mr. Winkler discussed the wording used in the language regarding Ms. Wilson's wording on "...legislation and her synopsis of the issues involved in merging licensing functions performed by public accountancy committees and CPA functions performed by the Illinois Board of Examiners (ILBOE)...not sure what the solution should be...[the] concept is broader...not going to push one way or the other...".

Ms. Morrow mentioned that committee assignments were discussed but not included in the meeting notes. Mr. Winkler confirmed the discussion and that an e-mail was sent after the last adjourned meeting. Mr. Winkler stated that no approval of the committee assignments is required, but reflection in minutes is needed. The latter will be added to the previous meeting minutes.

**ACTION** Ms. Herting motioned to move on to the next agenda item. Ms. Kodjayan seconded the motion.

## **2. Report of the Chair-Thomas W Winkler**

### **Review NASBA Annual Meeting**

Mr. Winkler discussed the relationship between the ILBOE and the Illinois CPA Society (ICPAS) & American Institute of CPAs (AICPA). Mr. Winkler also discussed the four major points presented at the NASBA Annual meeting. The points were regulations-for Public Accounting and oversight boards, legislative challenges, changes in education such as online courses- 100,000+ participants, and the explosion of the CPA exam worldwide-challenges & difficulties, ethics in USA vs. the world.

The specific dates for upcoming NASBA meetings are given which are the Western Regional Meeting in New Orleans, LA-June 5-7, 2013, the Eastern Regional Meeting in Chicago, IL-June 26-28, 2013 and the 106<sup>th</sup> Annual Meeting in Maui, HI-October 27-30, 2013.

## **3. NASBA Overview-Mr. Dan Dustin, VP, NASBA**

Mr. Winkler introduced Mr. Dustin

Mr. Dustin gave his background and discussed NASBA's great relationship with the ILBOE, the election process, NASBA's vision- the facilitation of information sharing and being "*Mission Driven & Member Focused*" and why certain jurisdictions were not participating in committees.

Mr. Dustin reinforced the importance of NASBA committees and board participation. NASBA University, the licensing of military personnel and spouses, the dramatic changes to the Wyoming State bill, mobility/board inquiries, the national database for disciplinary actions and the Accounting Licensing Library were also topics of discussion.

## **4. Legislative Update-Mr. Marty Green, /VP, ICPAS**

Mr. Winkler introduced Mr. Green

Mr. Green discussed the Illinois Department of Financial & Professional Regulation's (IDFPR) staff updates-Elaine Weiss, ICPAS, is moving to the dermatology board, and Manny Flores' appointment to a new role at the IDFPR.

Mr. Green's Illinois legislation updates were as follows:

1. Illinois General Assembly in lame duck session regarding a pension deal cut.
2. IDFPR's medical fund is short; employees notified that there will be lay offs.

3. IDFPR's CPA fund, among others, was proposed as a sector to have funds taken from it to help offset the medical fund's \$9M deficit; the proposal failed and a new proposal is being worked on so that the funds will come from local government.
4. The \$6M CPA fund must last 3 years and Senate Democrats proposed to use the funds; however, the governor has yet to take a position.
5. There is no update on the Public Accounting bill because it has yet to be discussed. Additional updates are being drafted for approval in Spring 2013. Small updates, of no major concern, by staff have occurred.
6. Bill HB3816, regarding government commissions, does not impact the ILBOE.
7. The Military Licensure bill that passed last spring is primarily for spouses and provides substantial equivalency for temporary licenses as long as requirements are met.

Mr. Friedewald discussed the IDFPR's professional funds in relation to department costs come from this money collected as well. The CPA fund and the obligation, or lack thereof, for its repayment was also discussed. Mr. Friedewald and Ms. Yunker discussed how the ILBOE funds are not included in the CPA fund.

## **5. Report of the Executive Director-Russ Friedewald**

### **ACTION**

#### **a. Score Report-12Q3 & 12Q4-Board /Signature**

Mr. Friedewald explained to new board members exactly what the score report is and asked for signatures for certificates. The board discusses the AICPA software scoring issue that affected some candidates who tested in 2012. When more information is received, it will be forwarded to the board members. Mr. Engle discussed the possible ramifications and Mr. Winkler passed this issue on to the Candidacy Committee.

#### **b. Update on NIU Relocation**

Mr. Winkler discussed how the relocation is moving forward. No plans are attached to the exhibit, as of Sept 2012. There are no major changes to the floor plans. Dr. Kaplan stated she would follow up on the lease and Mr. Brian Becker would follow up on the architect. The original relocation date of Feb 2013 has been changed to April 2013. Mr. Friedewald discussed the University of Illinois' intentions and actions regarding dealings with the ILBOE-explanation of P-Card and system terminations.

#### **c. Update on IronData Installation**

Mr. Friedewald discussed the delays associated with the new office system. The anticipated date for roll out is now April 8, 2013. Office purging processes were also explained.

#### **d. Semi-Independent Status-Food for Thought**

Mr. Winkler placed this item on the next board meeting's agenda.

**e. NASBA International Evaluations**

The ILBOE has contracted with NASBA until we can make it an in-house process again.

**f. New Educational Requirements, Provisional Status, etc.**

Mr. Friedewald discussed and explained the new Educational Requirement changes which take effect on July 1, 2013. There are two rules that conflict. The proposed rule change is that Provisional candidates must take at least one exam section before June 28, 2013 in order to have 120-day rule apply. If they do not sit, all qualifying documents must be in-house by the above-specified deadline or they must meet the new requirements. Mr. Winkler delegated this issue to the Candidacy Board and Mr. Friedewald.

**g. Distribution of Ethics Training Materials**

Mr. Friedewald requested that the signed Signature forms be returned to him.

**ILBOE Committee & Task Force Reports**

Mr. Winkler stated that the committees are looking for assignments.

**6. Administrative-Tom Winkler**

**Rule Re-Write**

Mr. Winkler stated that the meeting schedule will be circulated; all participation is welcome.

**7. Candidacy Committee-C Herting**

Ms. Herting discussed the six appeals submitted since the last meeting. Ms. Yunker explained that denials are not discussed as to not prejudice the other members.

**Report of Committee Activity**

**8. Education Advisory Task Force-P Yunker**

**EATF Meeting Scheduled for April 26, 2013**

Ms. Yunker explained how educators are made aware of ILBOE information. This meeting will be postponed until Fall 2013. Mr. Engle introduced other stakeholders who need to be notified of the new educational requirements. A call will be made to the IDFPR to see if the information concerning the new educational requirements can be posted on their website.

**9. Finance Committee-P Yunker**

Ms. Yunker discussed the fund balance and the 4.8M to 4.5M projected decline. The ILBOE fee rates were discussed. Mr. Winkler requested that Mr. Friedewald provide, if possible, the fee schedules for all other states for the next board meeting.

**ACTION** Ms. Kodjayan moved to approve the budget. Ms. Herting seconded the motion to approve.

**10. Nominating-C Herting**

No Report

**11. State Liaison-S Morrow**

Ms. Morrow and Mr. Green previously attempted to set up a date and time to meet. No date set.

**12. Strategic Planning**

Various modes of media were discussed to communicate the educational requirement changes.

**NASBA/AICPA Committee Reports**

**13. Nominating Committee-C Herting**

**a. Discussion Relative to Nomination for NASBA Vice-Chair:**

Nominees-Mr. Ted Long, OH

Mr. Walter Davenport, NC

Ms. Kathleen Smith, NE

Ms. Janice Gray, OK

Mr. Ken Odom, AL

Mr. Winkler discussed the standing issues. Ms. Herting explained the nominating and voting processes. Although the ILBOE has not supported a particular candidate in the past, Mr. Winkler is not opposed to doing so.

**Unfinished Business-None**

**New Business-None**

**ACTION** Mr. Winkler adjourned the meeting at 3:10 PM.